

## REMARKS

Claims 1, 3-8, 11-15 and 26-30 are pending in the application. Claims 1, 3, 4, 11, 30 and 31 have been amended to clarify the present invention. Claims 16-25 have been withdrawn. Claims 2 and 9-10 have been cancelled. Applicants respectfully request reconsideration of the rejections set forth in the Office Action dated April 11, 2005 in light of the preceding amendments and the following remarks.

Applicants thank the Examiner for the courtesy extended during the personal interview with Applicants' representative on May 25, 2005. During this interview, the difference between the invention and the prior art was discussed.

### Rejections Under 35 U.S.C. §102/103

Claims 1-15 and 26-30 were rejected under 35 U.S.C. 102(b) as being unpatentable over Haskell (U.S. Patent No. 5,687,095). Previously dependent claims 9-11 and 14 were rejected under 35 U.S.C. 103(a) as being unpatentable over Haskell.

Independent claim 1 has been amended and now recites "re-quantizing a first portion of the bitstream that includes a B frame including video data using a first re-quantization scheme" and "re-quantizing a second portion of the bitstream that includes a P frame including video data or an I frame including video data using a second re-quantization scheme that is computationally more demanding than the first re-quantization scheme." It is respectfully submitted that the prior art does not teach or suggest such an arrangement in the context of the claimed invention.

Haskell is silent on this combination of features. Haskell only describes calculating a requantization parameter and applying the re-quantization parameter to macroblocks. While Haskell changes quantization parameter Qp.sub.new, he notes that this is only a single re-quantization scheme (see 5:45 to 5:51 and 12:28 to 12:30), contrary to the Remarks in the Office Action. He is silent on B and P frames, and any need to process them differently as recited.

For at least these reasons, Haskell does not teach or suggest amended independent claim 1 and the independent claim is allowable.

Independent claims 26, 30 and 31 include similar limitations as amended claim 1. Dependent claims 1, 3-8, 11-15 and 27-30 each depend directly from independent claims 1 and 26, respectively, and are therefore respectfully submitted to be patentable over Haskell for at least the reasons set forth above with respect to the independent claims. Further, the dependent claims recite additional elements which when taken in the context of the claimed invention further patentably distinguish the art of record.

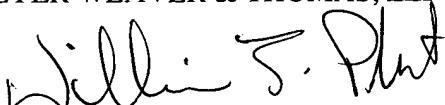
Withdrawal of the rejections under 35 USC §102(b) and §103(a) is therefore respectfully requested.

Applicants believe that all pending claims are allowable and respectfully requests a Notice of Allowance for this application from the Examiner. Should the Examiner believe that a telephone conference would expedite the prosecution of this application, the undersigned can be reached at the telephone number set out below.

Applicants hereby petition for an extension of time which may be required to maintain the pendency of this case, and any required fee for such extension or any further fee required in connection with the filing of this Response is to be charged to Deposit Account No. 50-0388 (Order No. CISCP158).

Respectfully submitted,

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Limited Recognition under 37 C.F.R. §10.9(b)

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